

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SALOMON GREY FINANCIAL CORP.,

Plaintiff,

v.

DANIEL RUSSO, INDIVIDUALLY AND
AS TRUSTEE FOR AEGIS INTERNATIONAL
INC. PROFIT SHARING RETIREMENT PLAN,

Defendant.

Civil Action No. 04 12056 NG

ANSWER

Defendant Daniel Russo ("Russo"), individually and as trustee for the Aegis International Inc. Profit Sharing Retirement Plan, hereby answers Plaintiff's Original Complaint and Motion to Vacate or in the Alternative to Modify or Correct Award of Arbitration as follows.

I. PARTIES AND JURISDICTION

1. Russo admits the allegations contained in paragraph 1 except that he was the trustee of the Aegis International Inc. Profit Sharing Retirement Plan.

2. Russo admits that Plaintiff was one of four respondents in an arbitration proceeding in which Russo was the claimant. Russo is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

3. Russo admits that Plaintiff and he were required to arbitrate certain claims between them. Russo denies the remaining allegations in paragraph 3.

4. This paragraph contains legal assertions to which no response is required.

II. FACTUAL BACKGROUND

5. Russo admits the allegations contained in paragraph 5 except that he was the trustee of the Aegis International Inc. Profit Sharing Retirement Plan.

6. Russo admits that Plaintiff and he were required to arbitrate certain disputes. Russo is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

7. Admitted.

8. Russo denies the allegations set forth in the first sentence of paragraph 8. Russo admits the remaining allegations set forth in paragraph 8.

9. Russo admits that the quoted portions of paragraph 9 are accurate quotations from the Statement of Claim filed in the arbitration. Russo denies the remaining allegations set forth in paragraph 9.

10. Russo admits that the arbitrators required Plaintiff to pay compensatory damages, attorney's fees and other fees and costs. Russo denies the remaining allegations set forth in paragraph 10.

III. BASIS FOR VACATING ARBITRATION AWARD

11. This paragraph contains legal assertions to which no response is required.

12. Russo is without knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

13. Denied.

AFFIRMATIVE DEFENSES

1. Plaintiff fails to state a claim upon which relief may be granted.

2. Plaintiff's claims are barred by the doctrines of laches and unclean hands.

3. Plaintiff's claims are barred by the doctrines of waiver and estoppel.

WHEREFORE, Defendant respectfully requests:

- a) That Plaintiff's Original Complaint be dismissed with prejudice in its entirety;
- b) That Plaintiff's Motion to Vacate or in the Alternative to Modify or Correct Award of Arbitration be denied in its entirety;
- c) That the Court confirm the Arbitration Award;
- d) That the Court impose sanctions upon Plaintiff and enter judgment in conformity therewith in Mr. Russo's favor for filing a frivolous complaint designed only to cause delay and coerce a settlement; and
- e) That the Court award such other relief as it deems just and proper.

Respectfully submitted,

DANIEL RUSSO, individually and as
Trustee for AEGIS INTERNATIONAL
INC. PROFIT SHARING RETIRMENT
PLAN,

By his attorneys,

/s/ Sara B. Davis
Harry S. Miller, BBO# 346946,
hmliller@pscboston.com
Matthew J. Tuttle, BBO# 562758
mtuttle@pscboston.com
Sara B. Davis, BBO# 648002
sdavis@pscboston.com
PERKINS, SMITH & COHEN, LLP
One Beacon Street, 30th Floor
Boston, MA 02108
(617) 854-4000

Dated: November 1, 2004

CERTIFICATE OF SERVICE

I hereby certify that on November 1, 2004, a true copy of the foregoing Answer was served by mail upon the following via First-Class U.S. Mail, postage prepaid at the following:

Patti Wasserman
Wasserman & Rosenblatt
7 Foster Street
Quincy, MA 02169

Robbyn P. Wysocki
McCue Wysocki, P.C.
14135 Midway Road, Suite 250
Dallas, TX 75001

_____/s/ Sara B. Davis
Sara B. Davis